

**BLACKPOOL AND THE FYLDE COLLEGE**  
**AUDIT COMMITTEE**  
**MINUTES OF A MEETING HELD ON WEDNESDAY 3 MARCH 2021 AT 5.00PM**  
**VIA VIDEOCONFERENCE**

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**Present:**

J Mills (in the Chair)	Independent Member
J Cole	Independent Member
S Dunstan	Co-opted Subject Specialist
M Long	Independent Member

**Apologies:**

C Holt	Independent Member
D Chamberlain	External Auditor, KPMG

**In attendance:**

- A Mulvey, Vice Principal Finance and Planning (Observer)
- J Butterfield, Internal Auditor, TIAA (until Minute 12)
- R Ryan, Chief Operating Officer
- S Yeoman, Financial Controller
- D Young, Company Secretary/Clerk to the Corporation

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**1. Chair and quorum**

- i. J Mills took the chair and noted that due notice had been given to all Committee members and that a quorum was present. Accordingly, she declared the meeting duly convened and constituted.
- ii. The Chair welcomed the Chief Operating Officer's successor, A Mulvey, Vice Principal Finance and Planning to the meeting.

**2. Apologies for absence**

- i. The above apologies for absence received from C Holt (Independent Member) and D Chamberlain (KPMG, external auditor) were noted.
- ii. The Chief Operating Officer reminded the Committee that the contract with KPMG was naturally drawing to a close and therefore this was KPMG's last scheduled Audit Committee meeting. However, it was noted that KPMG had expressed an interest in participating in the proposed tender exercise, which would be discussed at Minute 12.

**3. Declarations of interest**

No Committee members declared an interest in any of the agenda items.

#### **4. Minutes of previous meeting and action log**

- i. The minutes of the previous meeting held on 25 November 2020 were agreed as a true and accurate record.
- ii. With regard to the action log, the Company Secretary provided an overview of the proposed training programme that had been circulated prior to the meeting and invited the Committee to suggest any topics that they wished to cover. The Committee approved the proposed structure and suggested topics that would be beneficial.

**Action:** Company Secretary

- iii. The Committee noted that the ongoing action regarding the look back exercise would be completed in due course at the appropriate time.

#### **5. Matters arising**

There were no matters arising.

#### **6. Internal audit reports 2020/21**

- i. J Butterfield presented the following internal audit reports which had been circulated with the agenda:
  - Assurance review of health and safety
  - Assurance review of human resources
  - Appraisal review of learner numbers
- ii. The Committee noted the substantial assurance level of the health and safety review. In response to a question from the Chair, there was discussion on the reporting of B&FC's operational/departmental health and safety and Covid-19 related risks. The Chief Operating Officer provided a detailed account of the format and presentation of B&FC's risk management assessments, and the rationale for the existing level of risk reporting which included to the Audit Committee and the Board, which the Committee was content with.
- iii. In relation to the assurance review of human resources, which the Committee noted had received a level of substantial assurance, there was debate around the sickness absence levels, targets and employee engagement activities relating thereto. Following suggestions from M Long and J Cole, it was agreed that the absence levels of comparable colleges would be shared with the Committee.

**Action:** Vice Principal Finance and Planning

- iv. The final report presented was the annual compliance review of learner numbers and the Committee was pleased to note that a substantial assurance level had

again been reported, which provided assurance of the organisation's compliance. The Chief Operating Officer noted that in view of the length of time since the last ESFA audit of learner numbers, it was anticipated that B&FC would be subject to such an audit in the near future.

- v. The Committee **RECEIVED** the internal audit reports and noted the content.

## **7. Audit Findings Tracking log**

- i. The Chief Operating Officer presented the tracking log which the Committee considered.
- iii. The Committee **RECEIVED** the report and noted the content.

## **8. Risk management report**

- i. The Chief Operating Officer presented a report which had been circulated with the agenda to present the current risk register for review by the Committee.
- ii. In response to questions from S Dunstan, the Chief Operating Officer updated the Committee on the positive progress with the Institute of Technology and provided an overview of the initiatives, controls and training in place to mitigate against cybersecurity risk.
- iii. Following consideration, the Committee **RECEIVED** the report and noted the content.

## **9. Bank compliance report**

- i. The Committee noted the report which had been circulated with the agenda to provide an update on the Corporation's banking facilities and arrangements and its compliance therewith.
- ii. Following consideration, the Committee **RECEIVED** the report and noted the content.

## **10. Other matters to report**

The Committee directed that this matter be minuted confidentially.

## **11. Schedule of meetings 2021/22 and 2022/23**

The Committee noted its meeting dates for the 2021/22 and 2022/23 financial years. The Chair highlighted the succession planning considerations that were

required in view of both her and S Dunstan's respective terms of office coming to an end in the near future.

## 12. External auditor tender exercise

*J Butterfield withdrew from the meeting.*

- i. The Chief Operating Officer and Financial Controller reported that it was timely to review the external audit services namely because KPMG's contract was naturally coming to an end and the proposed price quoted to extend the term had been prohibitive.
- ii. The Financial Controller detailed B&FC's requisite tender requirements and options, which included the option of utilising an external purchasing consortium, which the Committee considered fully. The Financial Controller then provided details of one such consortium that had recently completed a tender for external audit services, including the bids received, noting that this had involved a robust process, consistent with B&FC's usual tender approach and which offered value for money for B&FC.
- iii. The Committee received full details of the subsequent in-depth due diligence B&FC had undertaken which included meeting the key personnel of the audit service provider that had been rated most favourably in the above tender process. There was in-depth discussion of the quality and experience of the audit service providers in the consortium, and the most appropriate contract term for B&FC.
- iv. The Chief Operating Officer reminded the Committee that it had previously agreed to stagger the contract end dates of the external and internal auditors, subject to satisfactory performance. To that end, and subject to the decision regarding the external audit service, the Committee was also being asked to consider extending the internal audit contract by one year.
- v. Following in-depth discussion of each of the tender exercise options, as well as the providers who had put forward bids via the consortium, the Committee resolved to **RECOMMEND** the following to the Board:
  - The appointment of Beever and Struthers, the favourable bidder in the consortium tender exercise, as B&FC's external auditors for a period of 4 years with a break option after a 2 year period.
  - The extension of the contract of the internal auditors, TIAA, for 12 months to 31 July 2022.

### **13. Any other business**

As this was R Ryan's last meeting before his retirement, on behalf of the Committee the Chair thanked him for his significant contribution over the last four and a half years.

### **14. Date, time and venue of next meeting**

- i. It was noted that the next meeting of the Committee would be held on 16 June 2021, 5.00pm via Teleconference.
- ii. There being no further business, the meeting closed at 5.45pm.